

## Message Text

CONFIDENTIAL

PAGE 01 BONN 12929 081641Z  
ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 L-03 H-01 AID-05 CIAE-00  
COME-00 EB-08 FRB-03 INR-07 NSAE-00 USIA-06  
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05  
SS-15 STR-04 CEA-01 /091 W  
-----035151 082253Z /64

R 081631Z AUG 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 0483  
DEPARTMENT TREASURY  
INFO AMEMBASSY ROME  
AMEMBASSY TOKYO  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY MOSCOW

C O N F I D E N T I A L BONN 12929

E.O. 11652: GDS  
TAGS: ECON, EFIN, GW  
SUBJECT: ITALO-SOVIET CREDIT NEGOTIATIONS

REF: ROME 12692, ROME 12779

1. IN DISCUSSION WITH FRG ECONOMICS AND FINANCE  
MINISTRY OFFICIALS CONCERNING 8 YEAR, 7.25 PERCENT  
EXPORT CREDIT TO THE SOVIET UNION (REPORTED REFTELS)  
WE WERE TOLD THAT THE CREDIT IS FOR CONSTRUCTION OF  
FIVE POLYESTER FIBER PLANTS WITH TOTAL VALUE IN EXCESS  
OF DM 2 BILLION. INTEREST RATE QUOTED BY SUPPLIERS  
TO SOVIETS IS 7.35 PERCENT AND THE CREDIT WILL BE  
GUARANTEED BY THE GOVERNMENT. GERMAN OFFICIALS INSIST,  
HOWEVER, THAT THIS DOES NOT CONSTITUTE A BREAK WITH  
"GENTLEMEN'S AGREEMENT" GUIDELINES. THE REFINANCING  
RATE ON THE SUPPLIER CREDIT (APPROXIMATELY 9-9.5  
PERCENT) IS, THEY MAINTAIN, WHAT IS REGULATED BY THE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 12929 081641Z

GENTLEMEN'S AGREEMENT AND IT IS WELL IN EXCESS OF THE  
GENTLEMEN'S AGREEMENT GUIDELINES. THE DEFERENTIAL  
BETWEEN THE RATE QUOTED THE SOVIETS AND THE REFINANCING  
RATE FALLS ON THE EXPORTER WHO, ACCORDING TO GERMAN  
OFFICIALS, PASSES THIS ON TO THE SOVIETS IN FORM OF A  
HIGHER SELLING PRICE ON THE GOODS SOLD.  
STOESSEL

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, NEGOTIATIONS, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 08-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BONN12929  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770285-0354  
**Format:** TEL  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770887/aaaacvml.tel  
**Line Count:** 62  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** a9d95160-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 ROME 12692, 77 ROME 12779  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 02-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1679171  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ITALO-SOVIET CREDIT NEGOTIATIONS  
**TAGS:** ECON, EFIN, EEWT, GE, IT, UR  
**To:** STATE TRSY  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a9d95160-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009